

**Before the State of South Carolina
Department of Insurance**

In the matter of:

Douglas C. Shelton

3703 Hines Chapel Road
McLeansville, North Carolina 27301

File Number 115208

**Default Order Revoking
All Licensing Privileges**

This matter comes before me pursuant to a Letter of Allegation and Notice of Opportunity for Public Hearing served, as required within S.C. Code Ann. § 38-3-170 (Supp. 2004), by the State of South Carolina Department of Insurance upon Douglas C. Shelton by both certified mail, return receipt requested, and by regular mail on October 27, 2005.

That letter informed Douglas C. Shelton of his right to request a public hearing upon the allegations of impropriety contained within the letter against him. The letter further warned that his failure to make a timely, written request would result in my summary revocation of his license to do business as a resident insurance producer within the State of South Carolina. **Despite that warning, Douglas C. Shelton has failed to respond to the Department's letter.** On December 16, 2005, therefore, counsel for the Department filed an Affidavit of Default, and submitted the entire matter directly to me for my summary decision based solely on the record.

The letter alleged, and I now find as fact, that while licensed to do business as a licensed insurance producer within the State of South Carolina he "voluntarily surrendered his producers license in lieu of disciplinary action" to the Virginia Department of Insurance and failed to notify the South Carolina Department of Insurance of the Virginia Department of Insurance action.

SECTION 38-43-247 (A) Reporting administrative actions and criminal prosecutions, which read in pertinent part that a "producer shall report to the director or his designee any administrative action taken against the producer in another jurisdiction or by another governmental agency in this State within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent to order, or other relevant legal documents.

In accordance with my findings of fact, and considering Douglas C. Shelton's failure to avail himself of his opportunity to be heard, I now conclude, as a matter of law, that Douglas C. Shelton violated S.C. Code Ann. § 38-43-130 (A) that his resident insurance producer's license should be revoked.

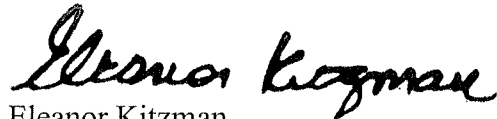
This administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's, *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000). Nothing contained within this administrative disciplinary order should be construed to limit or to deprive any person of any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing

contained within this administrative disciplinary order should be construed to limit the statutory duty of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the law relative to the business of insurance or the provisions of this title which he considers necessary to report." S.C. Code Ann. § 38-3-110(3) (Supp. 2004).

It is, therefore, ordered that the license of Douglas C. Shelton to do business as a resident insurance producer within the State of South Carolina be, and is hereby, revoked, and that no license issued through the State of South Carolina Department of Insurance is to be issued to him.

It is further ordered that a copy of this order shall be transmitted to the National Association of Insurance Commissioners for distribution to its current member states and to each insurer for which Douglas C. Shelton is currently licensed, through the State of South Carolina Department of Insurance, as a resident insurance producer within the State of South Carolina.

This order becomes effective as of the date of my signature below.



Eleanor Kitzman
Director

Jan 17, 2006 at
Columbia, South Carolina

Douglas C. Shelton default revocation.doc

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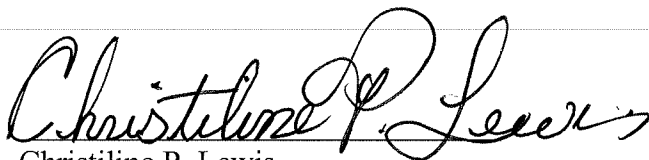
Affidavit of Default

Personally appeared before me John B. O'Neal, III, who, being duly sworn, stated that at all times relevant to this Affidavit of Default he was the attorney representing the State of South Carolina Department of Insurance (the Department) in this administrative action. He further stated the following:

The Department served notice on Douglas C. Shelton at the address detailed above by a Letter of Allegation and Notice of Opportunity for a Public Hearing that the Department would request the Director of Insurance to summarily revoke his license to act as a resident insurance producer within the State of South Carolina in thirty days. The Department served that notice, pursuant to S.C. Code Ann. § 38-3-170 (Supp. 2004), by "depositing it in the United States mail, postage prepaid, addressed to the last known address of the person and registered with the return receipt requested." That letter further notified Douglas C. Shelton of his opportunity, within thirty days, to request in writing a public hearing.

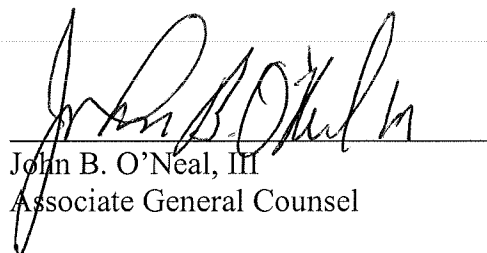
The Department mailed the notice concerning the right to a hearing by certified mail, return receipt requested, and by regular mail, on or about October 27, 2005. Douglas C. Shelton has made no request for a public hearing or any other response to the notice. The time in which to do so has expired. He is now in default.

Sworn to and subscribed before me
this 12 day of December, 2005



Christiline P. Lewis

Notary Public for the State of South Carolina
My Commission Expires: November 20, 2006



John B. O'Neal, III
Associate General Counsel

South Carolina Department of Insurance
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Columbia, South Carolina 29202
(803) 737-6132